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Attorneys for Official Committee of Unsecured Creditors
of USA Commercial Mortgage Company

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:
USA Commercial Mortgage Company
06-10725 – Lead Case
USA Capital Realty Advisors, LLC
06-10726
USA Capital Diversified Trust Deed Fund,
LLC
06-10727
USA Capital First Trust Deed Fund, LLC
06-10728
USA Securities, LLC
06-10729
Debtors.

Jointly Administered

Chapter 11 Cases

Judge Linda B. Riegler Presiding

**LEWIS AND ROCA LLP'S SECOND
AND FINAL APPLICATION FOR
ALLOWANCE OF COMPENSATION
AND REIMBURSEMENT OF
EXPENSES INCURRED AS
ATTORNEYS FOR OFFICIAL
COMMITTEE OF UNSECURED
CREDITORS OF USA
COMMERCIAL MORTGAGE
COMPANY**

Date: June 22, 2007

Time: 9:30 a.m.

Affecting:

.. All Cases

or Only:

× USA Commercial Mortgage Company

.. USA Capital Realty Advisors, LLC

.. USA Capital Diversified Trust Deed Fund,
LLC

.. USA Capital First Trust Deed Fund, LLC

.. USA Securities, LLC

Lewis and Roca LLP ("Lewis and Roca"), counsel for the Committee of Unsecured
Creditors of USA Commercial Mortgage Company (the "Committee"), respectfully



1 requests compensation for services rendered and reimbursement of expenses incurred on
 2 behalf of the Committee. Lewis and Roca submits its billing statement, attached as
 3 **Exhibit 1**, for the time period from August 1, 2006 through March 12, 2007, which
 4 itemizes the time and expenses incurred on behalf of the Committee, and incorporates by
 5 reference the statement attached to its First Interim Application for Allowance of
 6 Compensation and Reimbursement of Expenses [DE 1225].

7 **A. INFORMATION ABOUT APPLICANT AND APPLICATION**

8 **1. Relevant Dates and Nature of Application**

9 a. On April 13, 2006 (the "Petition Date") voluntary petitions for
 10 relief under Chapter 11 of the United States Bankruptcy Code in the United States
 11 Bankruptcy Court for the District of Nevada were filed by USA Commercial Mortgage
 12 Company ("USACM"), USA Capital Diversified Trust Deed Fund, LLC ("DTDF"); USA
 13 Capital Realty Advisors, LLC ("Realty"); USA Capital First Trust Deed Fund, LLC
 14 ("FTDF"); and USA Securities, LLC ("Securities"), (collectively "Debtors").

15 b. An order for Joint Administration of the cases was signed on
 16 May 9, 2006.

17 c. On May 10, 2006 the Office of the U.S. Trustee appointed an
 18 Official Committee of Unsecured Creditors for USACM. Also appointed were: Official
 19 Committee of Equity Security Holders of USA Capital First Trust Deed Fund, LLC;
 20 Official Committee of Equity Security Holders of USA Capital Diversified Trust Deed
 21 Fund, LLC; and Official Committee of Executory Contract Rights of USA Commercial
 22 Mortgage Company.

23 d. By Order of this Court dated June 19, 2006, Lewis and Roca
 24 was appointed as attorneys for the Committee effective as of May 24, 2006.

25 e. On May 24, 2006, Lewis and Roca completed its conflicts
 26 clearance and began providing services to the Committee with respect to USACM.

f. On January 8, 2007, an Order Confirming Debtors' Third Amended Plan of Reorganization was signed by this Court. On March 12, 2007, the Plan became Effective.

g. Pursuant to the terms of the Confirmed Plan, Geoffrey L. Berman was appointed as Trustee of the USACM Liquidating Trust.

h. Compensation is sought under 11 U.S.C. §§ 330(a)(1) and 331.

2. Terms and Conditions of Employment

a. Lewis and Roca has no agreement of any kind, express or implied, to divide with any other person or entity any portion of the compensation sought or to be received by it herein except for its partnership agreement. There is on file herein the necessary statements required by Bankruptcy Rules 2014 and 2016 and 11 U.S.C. § 329, which are incorporated herein by reference.

b. The source of compensation for the fees and expenses presently sought through this application will be estate funds, as an administrative expense.

c. Pursuant to the Administrative Order re Establishing Procedures for Interim Compensation Payment and Reimbursement of Expenses, [DE 1199], 80% of the fees and 100% of the expenses Lewis and Roca submitted are to be paid on an interim basis, subject to this Court's review upon interim and final fee applications. The order provides:

On or about the 25th day of each month following the month for which compensation is sought, each Professional may submit a monthly statement ("Monthly Statement"). (1) designated counsel for Debtors (ii) designated counsel for each of the four official committees appointed in these cases; and (iii) the Office of the United State Trustee (collectively, the "Reviewing Parties"). Each of the Reviewing Parties will have until the fifteenth day of the next calendar month to review the Monthly Statement. If none of the Reviewing Parties objects as provided in paragraph (b) below, the applicable Debtor shall promptly pay (to the extent funds are

available in such Debtor's estate) eighty percent (80%) of the fees requested and one hundred percent (100%) of the expenses requested in that particular Monthly Statement.

2. Status of Monthly Statements, Payment and Application

a. Lewis and Roca submitted monthly invoices and received payments as set forth on Exhibit 2 attached, and the exhibit attached to the First Application.

b. The Office of the U.S. Trustee filed objections to the monthly statements. Lewis and Roca responded with information and documentation to resolve the objections or wrote off the entry at issue.

c. On August 31, 2006, Lewis and Roca filed its First Interim Application for Allowance of Compensation and Reimbursement of Expenses [DE 1225]. Pursuant to Order [DE 1479] dated October 6, 2006, Lewis and Roca was awarded \$227,901.25 fees and \$40,900.51 expenses. All fees and costs awarded have been paid, except for \$3,661.43 that apparently was inadvertently omitted from payment in February 2007 of these previously awarded fees. This is Lewis and Roca's Second and Final Application.

3. Names and Hourly Rates of Professionals

a. The names of the Lewis and Roca professionals and paraprofessionals requesting fees during the period of this application, the hourly rate charged by each, and the fees billed (after deduction of fees of which no payment is requested) are as follows:

<u>Attorney</u>	<u>Billed Per Hour</u>	<u>Hours Billed</u>	<u>Amount Billed</u>
S. Freeman	\$0	1.0	\$0
S. Freeman	\$510	674.0	\$343,740.00
D. Manch	\$405	1.6	\$648.00

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1	R. Charles	\$0	2.2	\$0
2	R. Charles	\$385	977.8	\$376,453.00
3	R. McKirgan	\$425	9.8	\$4,165.00
4	J. Belanger	\$385	10.0	\$3,850.00
5	B. Griffin	\$340	13.5	\$4,590.00
6	H. Taylor	\$355	30.4	\$10,792.00
7	J. Hinderaker	\$340	79.7	\$27,098.00
8	T. Morgan	\$400	18.7	\$7,480.00
9	L. Kasten	\$390	0.4	\$156.00
10	S. Brown	\$320	138.0	\$44,160.00
11	E. Simpson	\$295	140.4	\$41,418.00
12	A. Vigil	\$260	1.9	\$494.00
13	P. Mause	\$200	48.1	\$9,620.00
14	L. Lackland	\$305	1.4	\$427.00
15	D. Brenner	\$255	3.6	\$918.00
16	R. Blakley	\$230	47.4	\$10,902.00
17	J. Murphy	\$200	1.6	\$320.00
18	M. Ruth	\$200	109.2	\$21,840.00
19	<u>Paralegal</u>			
20	M. Schoenike	\$0	39.4	\$0
21	M. Schoenike	\$180	320.0	\$57,870.00
22	N. Tanner	\$160	1.5	\$240.00
23	S. Meskell	\$0	17.8	\$0
24	S. Meskell	\$145	24.3	\$3,523.50
25	K. Cady	\$140	1.3	\$182.00
26				

C. Clancy	\$195	0.8	\$156.00
C. Arnold	\$170	0.2	\$34.00
<u>Library Research Assistant</u>			
S. Bundy	\$110	2.9	\$319.00
<u>Litigation Assistants</u>			
J. Siatta	\$145	1.2	\$174.00
<u>Project Clerks</u>			
C. Jordan	\$0	21.3	\$0
C. Jordan	\$55	133.6	\$7,348.00
M. Linarez	\$55	14.0	\$770.00
K. Francis	\$55	15.3	\$841.50

b. Solely for the purpose of the Court's evaluation of the reasonableness of those standard hourly rates, a brief summary of the professional experience of the lawyers who provided the bulk of the services for which compensation is sought is attached.

c. The compensation sought is based on compensation charged by comparably skilled practitioners in cases other than cases under Title 11.

5. Review and Approval of Application.

Monthly statements have been sent to all Committee Members of USACM, and pursuant to the proposed Administrative Order, to the "Reviewing Parties." In response to the monthly statements, the U.S. Trustee raised certain issues that have been addressed in a responsive letter and in this Application. The Committee disbanded on the Effective Date of the Plan. Donald Walker, former Chair of the Committee and ongoing member of the USACM Trust Committee, providing oversight assistance to the Trustee of the USACM Trust, has signed his approval of this Application.

6. Time Period For Services Covered by This Application.

The time period covered by the exhibit to this application is from August 1, 2006 through March 12, 2007, and in terms of a final application, the pendency of this case through the Effective Date of the Plan.

B. CASE STATUS

1. Status of Plans and Disclosure Statements, Quarterly Fees and Monthly Operating Reports

a. Quarterly fees have been paid to the United States Trustee to the best of our knowledge.

b. Monthly operating reports have been submitted to the Office of the U.S. Trustee.

c. The Debtors filed and amended their Joint Disclosure Statement and Plan of Reorganization in coordination with all of the Committees.

d. On December 20, 2006, the Court made an oral ruling confirming the Debtors' Third Amended Joint Plan of Reorganization [DE 1799] (the "Plan"), and the Court entered an Order Confirming the Plan on January 8, 2007 [DE 2376], as well as findings of fact and conclusions of law.

e. The "Effective Date" of the Debtors' Plan occurred on March 12, 2007. Although appeals of the Confirmation Order are pending, no stay pending appeal has been entered.

2. Accrued Administrative Expenses/Cash on Hand

Pursuant to Second Joint Motion for Order Implementation of Confirmed Plan [DE 2869], USACM is holding \$13,250,000 as a reserve for all other expenses of administration, including professional fees, which USACM has represented is an adequate reserve to pay all expenses of administration, priority and secured claims in full, pursuant to the terms of the Plan.

C. SUMMARY SHEET/PROJECT CATEGORY SUMMARY

A summary sheet that sets forth the hours billed, hourly rate and total billed for each professional and paraprofessional is attached as Schedule A. An analysis by project category of the first and second applications follows:

PROJECT CATEGORY ANALYSIS

PROJECT CATEGORY	FIRST APPLICATION		SECOND APPLICATION		TOTAL	
	Hours	Fees	Hours	Fees	Hours	Fees
B110 Case Administration	243.8	\$65,735.50	375.3	\$120,023.00	619.1	\$185,758.50
B120 Asset Analysis/Recovery	3.0	1,255.00	236.3	78,082.00	239.3	79,337
B130 Asset Disposition	7.8	3,378.00	219.3	88,877.50	227.1	92,255.5
B140 Stay Relief	5.9	2,440.50	8.4	2,831.50	95.3	5,272
B150 Meeting of Creditors	145.0	59,342.50	366.7	115,296.50	511.7	174,639
B160 Fee /Employment Applications	40.7	10,469.50	94.6	23,401.00	135.3	33,870.5
B170 Fee/employment Objections	6.1	2,259.50	108.4	36,645.50	114.5	38,905
B180 Avoidance Action analysis	0	0	9.6	4,158.50	9.6	4,158.5
B185 Assumption Rejection	0	0	.3	153.00	.3	153
B190 Other contested matters	237.0	72,510.00	181.9	73,831.00	418.9	146,341
B195 Non-Working travel	17.4	6742.25	69.9	29,233.00	87.3	35,975.25
B210 business Operations	0	0	.2	77.00	.2	77
B220 Employee Benefits/Pension	0	0	1.2	574.50	1.2	574.5
B230 Financing	8.4	3,157.50	.3	54.00	11.4	3,211.5
B310 Claims Admin/Objections	1.8	611.00	585.4	139,497.50	587..2	140,108.5

B320 Plan/Disclosure Statement	0	0	648.0	267,523.50	648.0	267,523.5
TOTAL	716.9	\$227,901.25	2905.8	\$980,259.00	3622.7	\$1,208,160.25

D. OVERVIEW OF APPLICATION

1. Summary of Legal Services Performed by Lewis and Roca

The services performed by Lewis and Roca during this application period related to (1) advising the Committee with respect to the powers and duties of the Committee; (2) analyzing the Debtors and their financial information with particular focus on USACM, and advising the Committee about them; (3) consulting with the Debtor and other committees concerning the administration of the case; (4) advising the Committee with respect to the powers and duties of the Debtor in the continued operation of its business and management of its assets in the Chapter 11 cases; (5) preparing for and participating in meetings of the Committee and joint meetings of the Debtor and all committees; (6) evaluating court filings and advising the Committee with respect to them; (7) preparing for and participating in court hearings and addressing issues with respect to court orders; and (8) communicating with Committee Members and other professionals about various estate matters.

B110 Case Administration

Lewis and Roca performed tasks of a general nature including: review of court filings, operating reports, cash budgets, other documents and dockets; responding to procedural issues and most motions and orders; preparing for and participating in hearings covering uncontested as well as contested matters; researching issues of general applicability; working with Debtors and the other Committees, review and analyses of financial statements; working on plan implementation and transition issues.

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	<u>Billed Per Hour</u>	<u>Hours Billed</u>	<u>Amount Billed</u>
<u>Attorney</u>			
S. Freeman	\$510	119.9	\$61,149.00
D. Manch	405	0.3	\$121.50
R. Charles	0	0.6	\$0
R. Charles	385	79.6	\$30,646.00
H. Taylor	355	2.5	\$887.50
T. Morgan	400	1.3	\$520.00
L. Kasten	390	0.4	\$156.00
S. Brown	320	23.3	\$7,456.00
<u>Paralegal</u>			
M. Schoenike	0	5.2	\$0
M. Schoenike	180	95.0	\$17,100.00
C. Clancy	195	0.8	\$156.00
C. Arnold	170	0.2	\$34.00
K. Cady	140	1.3	\$182.00
N. Tanner	160	1.5	\$240.00
<u>Project Clerk</u>			
C. Jordan	0	21.3	\$0
C. Jordan	55	19.2	\$1,056.00
<u>Library Research Assistant</u>			
S. Bundy	110	2.9	\$319.00
TOTAL		375.3	\$120,023.00

B120 Asset Analysis/Recovery

This time includes analysis of impact of the \$9,500,000 allocation issue and First Trust Deed Fund, Placer Vineyards issues, loan collections, the Royal Hotel transaction and litigation, USAIP issues, investigation of Tree Moss USA Investors VI, Beadle

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McBride and HMA Sales, including potential causes of action against the Debtors' insiders., and post-confirmation litigation preparation.

<u>Attorney</u>	<u>Billed Per Hour</u>	<u>Hours Billed</u>	<u>Amount Billed</u>
S. Freeman	\$510	11.7	\$5,967.00
R. Charles	385	121.3	\$46,700.50
R. McKirgan	425	1.7	\$722.50
B. Griffin	340	3.3	\$1,122.00
J. Hinderaker	340	37.9	\$12,886.00
P. Mause	200	48.1	\$9,620.00
M. Ruth	200	5.1	\$1,020.00

Paralegal

S. Meskill	0	6.4	\$0
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Project Clerk

C. Jordan	55	0.8	\$44.00
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TOTAL		236.3	\$78,082.00
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B130 Asset Disposition

This time relates to evaluation of offers from potential purchasers of assets, analysis of the assets, and communication with the Committee, Debtors, bidders and other professionals about potential sales. Counsel participated in meetings regarding sale issues and sale negotiations; worked on term sheets; worked on drafts of the asset purchase agreement; attended hearings on sale issues; and drafted a transition agreement with Compass, then dealt with claims, escrow agreements and disputed matters.

<u>Attorney</u>	<u>Billed Per Hour</u>	<u>Hours Billed</u>	<u>Amount Billed</u>
S. Freeman	\$510	50.7	\$25,857.00
R. Charles	385	122.0	\$46,970.00
B. Griffin	340	9.7	\$3,298.00

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T. Morgan	400	17.4	\$6,960.00
S. Brown	320	16.2	\$5,184.00
J. Murphy	200	1.6	\$320.00

Paralegal

M. Schoenike	180	1.2	\$216.00
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Litigation Assistants

J. Siatta	145	0.5	\$72.50
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TOTAL		219.3	\$88,877.50
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B140 Relief From Stay Proceedings

Counsel worked on stay relief motions filed by Dayco, Standard Property, and Fertitta. It researched and prepared responses, attended hearing and addressed issues with respect to forms of order.

<u>Attorney</u>	<u>Billed Per Hour</u>	<u>Hours Billed</u>	<u>Amount Billed</u>
S. Freeman	\$510	1.7	\$867.00
R. Charles	385	3.7	\$1,424.50
<u>Paralegal</u>			
M. Schoenike	180	3.0	\$540.00
TOTAL		8.4	\$2,831.50

B150 Meetings Of Creditors

Time in this category relates to Committee meetings, including: meeting minutes and agendas; monitoring of the website for creditor inquiries; responding to inquiries from Committee members; communicating with Committee members about meetings, Trust Agreement, and directing discussions. Two Committee members resigned and one new member was appointed. Counsel prepared memoranda for the Committee about pending

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1 motions and new developments. Counsel also participated in meetings with the Debtors
2 and other committees.

<u>Attorney</u>	<u>Billed Per Hour</u>	<u>Hours Billed</u>	<u>Amount Billed</u>
S. Freeman	\$0	1.0	\$0
S. Freeman	510	72.9	\$37,179.00
R. Charles	385	165.4	\$63,679.00
H. Taylor	355	0.2	\$71.00
S. Brown	320	0.9	\$288.00

Paralegal

M. Schoenike	0	31.0	\$0
M. Schoenike	180	60.9	\$11,232.00
S. Meskell	0	11.4	\$0
S. Meskell	145	21.5	\$3,117.50

TOTAL		365.2	\$115,566.50
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B160 Fee/Employment Applications

16 Counsel prepared Sierra Financial Consulting (“Sierra”) and the firm’s monthly
17 statements, the First Application for Compensation of Sierra and Lewis and Roca LLP,
18 and Orders approving applications. In addition, counsel reviewed monthly statements of
19 professionals. Lewis and Roca prepared applications for limited admissions and
20 designations of local counsel. Counsel reviewed employment applications filed in Tree
21 Moss and USA Investors VI, and worked on an employment applications for special
22 counsel for investigation of post-confirmation litigation.

<u>Attorney</u>	<u>Billed Per Hour</u>	<u>Hours Billed</u>	<u>Amount Billed</u>
S. Freeman	\$510	9.2	\$4,692.00
R. Charles	0	0.5	\$0
R. Charles	385	17.0	\$6,545.00

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1	J. Hinderaker	340	0.3	\$102.00
2	S. Brown	320	0.2	\$64.00
3	<u>Paralegal</u>			
4	M. Schoenike	0	0.2	\$0
5	M. Schoenike	180	64.4	\$11,592.00
6	S. Meskell	145	2.8	\$406.00
7	TOTAL		94.6	\$23,401.00

8

9 **B170 Fee Employment Objections**

10 Time in this category relates to the analysis, research, and preparation of

11 oppositions or objections to applications for compensation or employment. In addition,

12 counsel worked on issues regarding Committee fees and allocation of fees by Debtors'

13 professionals..

14		<u>Billed</u>	<u>Hours</u>	<u>Amount</u>
15	<u>Attorney</u>	<u>Per Hour</u>	<u>Billed</u>	<u>Billed</u>
16	S. Freeman	\$510	22.9	\$11,679.00
17	R. Charles	0	0.1	\$0
18	R. Charles	385	20.6	\$7,931.00
19	S. Brown	320	36.4	\$11,648.00
20	M. Ruth	200	15.0	\$3,000.00
21	<u>Paralegal</u>			
22	M. Schoenike	180	12.7	\$2,286.00
23			0	0
24	<u>Litigation Assistants</u>		0	0
25	J. Siatta	145	0.7	\$101.50
26	TOTAL		108.4	\$36,645.50

B180 Avoidance Action Analysis

Counsel worked on a complaint to avoid fraudulent transfers relative to prepaid interest payments, and on post-confirmation avoidance actions.

<u>Attorney</u>	<u>Billed Per Hour</u>	<u>Hours Billed</u>	<u>Amount Billed</u>
S. Freeman	\$510	3.7	\$1,887.00
R. Charles	385	5.9	\$2,271.50
TOTAL		9.6	\$4,158.50

B185 Assumption/Rejection Lease

Time in this category relates to the review of lease rejection motions and orders.

<u>Attorney</u>	<u>Billed Per Hour</u>	<u>Hours Billed</u>	<u>Amount Billed</u>
S. Freeman	\$510	0.3	\$153.00
TOTAL		0.3	\$153.00

B190 Other Contested Matters

Counsel worked on investigation and tracing of \$9,500,000 in a prepetition collection account, and assisted in the interim distribution order and its modifications. It worked on resolution of objections and unresolved issues on the distribution. Time was spent on 2004 examinations, review of adversary complaints, the protective order with USAIP and its affiliates, settlement proposals, and appeals.

<u>Attorney</u>	<u>Billed Per Hour</u>	<u>Hours Billed</u>	<u>Amount Billed</u>
S. Freeman	\$510	95.9	\$48,909.00
R. Charles	0	0.3	\$0
R. Charles	385	38.2	\$14,707.00
R. McKirgan	425	6.8	\$2,890.00
B. Griffin	340	0.5	\$170.00

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1	M. Ruth	200	14.2	\$2,840.00
2	L. Lackland	305	1.4	\$427.00

3 **Paralegal**

4	M. Schoenike	0	3.0	\$0
5	M. Schoenike	180	21.6	\$3,888.00
5	TOTAL		181.9	\$73,831.00

6 **B195 Non-Working Travel.**

7 Time in this category relates to counsel's non-working travel to and from Las
8 Vegas to attend hearings and meetings and is billed at fifty percent.

10	<u>Attorney</u>	<u>Billed Per Hour</u>	<u>Hours Billed</u>	<u>Amount Billed</u>
11	S. Freeman	\$510	21.5	\$10,965.00
12	R. Charles	0	0.7	\$0
13	R. Charles	385	43.1	\$16,593.50
14	R. McKirgan	425	1.3	\$552.50
14	J. Hinderaker	340	3.3	\$1,122.00
15	TOTAL		69.9	\$29,233.00

16 **B210 Business Operations**

17 Counsel reviewed operating reports specifically as to loan collections, accruing
18 payables, and operating losses.

20	<u>Attorney</u>	<u>Billed Per Hour</u>	<u>Hours Billed</u>	<u>Amount Billed</u>
21	R. Charles	\$385	0.2	\$77.00
22	TOTAL		0.2	\$77.00

23 **B220 Employee Benefits/Pension**

24 Counsel reviewed the analyses of the employee retention plan.

<u>Attorney</u>	<u>Billed Per Hour</u>	<u>Hours Billed</u>	<u>Amount Billed</u>
S. Freeman	\$510	0.9	\$459.00
R. Charles	385	0.3	\$115.50
TOTAL		1.2	\$574.50

B230 Financing

Time in this category consisted of the review and filing of the stipulated order re continued use of cash.

<u>Paralegal</u>	<u>Billed Per Hour</u>	<u>Hours Billed</u>	<u>Amount Billed</u>
M. Schoenike	180	0.3	\$54.00
TOTAL		0.3	\$54.00

B310 Claims Administration and Objections

Time in this category relates to the preparation of a spreadsheet for the analysis of proofs of claim. Counsel worked on the claims bar date order and responded to creditor emails and telephone calls regarding claims. Counsel participated in the Diversified settlement conference; attended hearing on omnibus objection to claims; reviewed and prepared analyses of, among other, Binford Developers, Standard Property, Gateway Stone, PBGC and Del Bunch claims. In addition, counsel drafted a motion to Extend Deadline to File Objections to Claims Arising from Executory Contracts. It drafted objections to certain claims and filed motions to reclassify claims.

<u>Attorney</u>	<u>Billed Per Hour</u>	<u>Hours Billed</u>	<u>Amount Billed</u>
S. Freeman	\$510	20.2	\$10,302.00
D. Manch	405	1.3	\$526.50
R. Charles	385	60.9	\$23,446.50
J. Belanger	385	10.0	\$3,850.00

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J. Hinderaker	340	38.2	\$12,988.00
S. Brown	320	38.1	\$12,192.00
E. Simpson	295	140.4	\$41,418.00
A. Vigil	260	1.9	\$494.00
M. Ruth	200	40.3	\$8,060.00
R. Blakley	230	38.9	\$8,947.00

Paralegal

M. Schoenike	180	52.3	\$9,414.00
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Project Clerk

M. Linarez	55	14.0	\$770.00
C. Jordan	55	113.60	\$6,248.00
K. Francis	55	15.3	\$841.50

TOTAL		585.4	\$139,497.50
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B320 Plan/Disclosure Statement

Counsel worked on the plan terms and outline. It analyzed plan issues and communicated with Debtors' counsel and other professionals on revisions. Lewis and Roca participated in meetings of all committees and Debtors on plan issues, and on settlement negotiations. Lewis and Roca drafted the Liquidating Trust Agreement, communicated and interviewed trustee candidates, and assisted in the selection process. Counsel worked on the ADR agreement with Debtors and the Direct Lenders Committee counsel. A significant amount of time was spent on ballot issues, review and response to objections to confirmation, attending meetings on voting, the confirmation brief and attending the confirmation hearing. The Amended Plan was confirmed by order of this Court.

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	<u>Billed Per Hour</u>	<u>Hours Billed</u>	<u>Amount Billed</u>
<u>Attorney</u>			
S. Freeman	\$510	242.5	\$123,675.00
R. Charles	385	299.6	\$115,346.00
H. Taylor	355	27.7	\$9,833.50
S. Brown	320	22.9	\$7,328.00
M. Ruth	200	34.6	\$6,920.00
D. Brenner	255	3.6	\$918.00
R. Blakley	230	8.5	\$1,955.00
<u>Paralegal</u>			
M. Schoenike	180	8.6	\$1,548.00
TOTAL		648.0	\$267,523.50

The total time for all timekeepers for which fees are requested is 2,905.8 hours, resulting in total fees requested of \$980,259.00 along with expense reimbursement of \$80,326.22 from August 1, 2006 through March 12, 2007. Lewis and Roca professionals and paraprofessionals spent an additional 61.9 hours representing \$11,175.00 of fees, for which no compensation is requested, including checking potential conflicts of interest and services considered potentially duplicative. Project clerks provided services in the nature of locating and printing documents and activities that amounted to 48.5 hours or \$2,667.50. Lewis and Roca is reducing its fees by the \$2,667.50 as well, as a professional courtesy, although the time entries are shown at their hourly rates in the body and attachments to this application.

2. Summary of Costs

Lewis and Roca seeks reimbursement for costs incurred in the amount of \$80,326.22. All costs are also customarily charged to non-bankruptcy clients of Lewis and Roca. The amount charged by Lewis and Roca for photocopies in this case is 20¢ per

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page. Facsimiles are charged at \$1.00 per outgoing facsimile. Deliveries were made when signatures were required, and for documents delivered (principally to the court), and transcript order deliveries.

All costs from outside parties, such as Federal Express, mail, delivery charges, long distance telephone charges, travel expenses, Lexis and Westlaw searches and the like, are charged at the unit rate charged by the vendors. Travel expenses are limited to airfare charges, taxi or rental car and parking charges. The expense documentation has been submitted to the Office of the U.S. Trustee and is available upon request. The summary of the requested expenses are:

Description	Amount
Delivery - Federal Express	76.01
Travel Expense	11,536.08
Federal Express	128.57
Service of Process	200.00
Witness Fee	40.00
Outside Professional Services	1,635.47
Court Fees	26.00
Other Disbursements	6,479.39
Postage	1,370.01
Westlaw Computer Research	46,244.10
Filing Fee	175.00
Meeting Expense	338.18
Reporting Services and Transcript	493.25
Delivery - UPS	464.40
Lexis	88.75
Long Distance Telephone	3,511.86
Document Preparation	24.60
Facsimile Document	71.00

Description	Amount
Pickup and Delivery	304.00
Parking Expense	1.50
Copying Expense (Outside Office)	223.04
Meal Expenses	17.71
Miscellaneous Expenses	481.10
Photocopying	<u>6,396.20</u>
Total Advances	\$80,326.22

3. Evaluating Standards

In accordance with 11 U.S.C. § 330, this amount was calculated using the hourly rate for the attorneys involved. *See also In Re Yermakov*, 718 F.2d 1465, 1471 (9th Cir. 1983) (“The primary method used to determine a reasonable attorneys’ fee in a bankruptcy case is to multiply the number of hours expended by an hourly rate”). This has also been referred to as the “lodestar” or basic fee which, if warranted, can be adjusted upward or downward. In that regard, the Ninth Circuit in *Yermakov* made specific references to *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714, 717-19 (5th Cir. 1974), in which the Fifth Circuit listed twelve factors which should be considered in awarding attorneys’ fees. These “*Johnson* factors” have been referred to and utilized by many courts in considering and awarding attorneys’ fees in bankruptcy cases. *See In Re Nucorp Energy, Inc.*, 754 F.2d 655 (9th Cir. 1985).

The Ninth Circuit Bankruptcy Appellate Panel has held that the “lodestar” approach, coupled with consideration for the “*Johnson* factors” is the appropriate standard to be applied in awarding fees in a bankruptcy case. *See In re Powerine Oil Co.*, 71 Bankr. 767 (Bankr. 9th Cir. 1986).

The provisions of § 330(a) place a premium on the timeliness of administration of the case. Compensable services must be “performed within a reasonable amount of time commensurate with the complexity, importance and nature of the problem, issue or task



1 addressed.” 11 U.S.C. § 330(a)(3)(A). Lewis and Roca believes all services have been
2 provided in a timely basis.

3 For a more specific description of the various services provided, categorized as a
4 project basis, as well as a general description of what was accomplished with respect to
5 each project, please consult the attached project billing, and the invoice submitted with the
6 First Interim Application.

7 The results obtained by Lewis and Roca within the time frames of this application
8 illustrate that Lewis and Roca:

- 9 • Used the skill required to perform the legal services properly;
- 10 • Provided services necessary to the administration of the case; and
- 11 • Performed the services within a reasonable amount of time commensurate
12 with the complexity, importance and nature of each task.

13 **E. CONCLUSION**

14 Based upon the foregoing, Lewis and Roca respectfully requests the Court to enter
15 an Order approving:

- 16 1. Final compensation for professional services rendered by Lewis and
17 Roca in the amount of \$980,259.00, after the pre-invoiced reduction of \$11,175.00, less
18 the additional professional reduction of \$2,667.50, or \$977,591.50;
- 19 2. Reimbursement for actual and necessary expenses incurred in the
20 amount of \$80,326.22;
- 21 3. Final approval of the compensation and expenses previously awarded
22 pursuant to the First Application and final approval of fees awarded on the Second and
23 Final Application.
- 24 4. Authorizing the Debtor or Trustee to pay the unpaid balance of
25 \$183,928.94 from unencumbered funds of the USACM estate.
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RESPECTFULLY SUBMITTED April 26, 2007.

LEWIS AND ROCA LLP

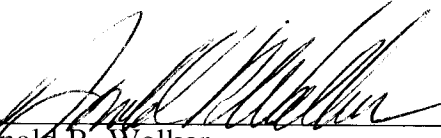
By  /s/ RC (#006593)

Susan M. Freeman

Rob Charles

*Attorneys for Official Committee of Unsecured
Creditors of USA Commercial Mortgage
Company*

APPROVED AS TO FORM AND CONTENT
on April 26, 2007:


Donald R. Walker

*Former Chair of USACM Committee and Current
Member of USACM Trust Committee*

Brief biographical information of attorneys

Susan M. Freeman: Partner in the law firm of Lewis and Roca LLP in the Business Section, certified specialist in bankruptcy law, Arizona Board of Legal Specialization. Education: New York University, J.D., 1975 (Root-Tilden Scholar); Mt. Holyoke College, B.A., with distinction 1972. Concentration is in the areas of appeals, bankruptcy. Member of the State Bar Association, and the Bankruptcy Section of the Bar, and of the American Bar Association Business Bankruptcy Section. Fellow and Director, American College of Bankruptcy. Chair Chapter 11 Subcommittee of ABA Business Bankruptcy Committee. Author of Chapter 27, Ethical Responsibilities, Norton Bankruptcy Law & Practice 2d. Lecturer at various continuing legal education programs on bankruptcy in Arizona and nationally.

David E. Manch: Partner in the Phoenix, Arizona law firm of Lewis and Roca LLP. Admitted to Arizona Bar, 1984. Education: Cornell University, B.S. (1965); State University of New York at Buffalo (J.D. Cum Laude, 1970). Member of the Maricopa County Bar Association, State Bar of Arizona and the Tax Section of the American Bar Association. He has served as an adjunct professor of law at both Nova University Law Center in Ft. Lauderdale and at the State University of New York at Buffalo. Mr. Manch's principal area of practice is in employee benefits, business law and estate planning.

Thomas J. Morgan: Partner in the Phoenix Arizona Office of Lewis and Roca LLP in the firm's business section. Education: Oklahoma State University, B.S., 1978; University of Oklahoma College of Law, J.D., 1981 Order of the Coif; New York University School of Law, LL.M.--Taxation, 1982. Mr. Morgan practices in the area of securities, corporate and tax law with emphasis in public and private securities offerings, mergers and acquisitions, securities law, compliance and commercial transactions.

Rob Charles: Partner in the Tucson, Arizona office of Lewis and Roca LLP. Admitted to Arizona bar, 1982; admitted to Nevada bar. Education: University of Arizona (B.A., 1979); University of Arizona (J.D., 1982 with distinction). Law Clerk to the Hon. Earl H. Carroll, District of Arizona (1982-1984). Adjunct faculty, University of Arizona College of Law. Former chair, State Bar of Arizona, Bankruptcy Section; current chair, State Bar of Arizona Committee on Rules of Professional Conduct. Member, American Bar Association, Sections of Business Law and Litigation, active in the Bankruptcy Committee of the Business Law Section. Recent articles include the Annual Survey of the Automatic Stay, in the Annual Survey of Bankruptcy Law, published by Clark Boardman Callaghan. Recent presentations include panel presentations at the Norton Litigation Institute in Las Vegas, Nevada, and to subcommittee meetings of the American Bar Association Business Law Section's Business Bankruptcy Committee and the American Bankruptcy Institute.

James J. Belanger: Partner in the Phoenix, Arizona Law of firm of Lewis and Roca LLP. Director of the Criminal Defense Practice Group. He originally started with Lewis and Roca in 1987. Education: Arizona State University College of Law, Tempe, Arizona, J.D. 1987; Brandeis University, Waltham, Massachusetts, B.A. 1981. Bankruptcy: Mr. Belanger was one of the Lewis and Roca lawyers that represented the Liquidating Trustees in the William Herbert and Nelson Bunker Hunt bankruptcy cases in Texas and was on the Lewis and Roca team that successfully unwound the leveraged buyout in In re Kaiser Steel. Mr. Belanger is "AV." rated by Martindale-Hubbell. He is a member of the State Bar of Arizona and the Maricopa County Bar Association and is admitted to practice

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in the State of Arizona, the Federal District of Arizona, the Northern District of Texas, the Ninth Circuit Court of Appeals, and the United States Supreme Court.

J. Henk Taylor: Partner in the law firm of Lewis and Roca LLP in the Finance Section. Admitted to the Florida bar, 1993, Arizona bar, 1995. Education: Harvard University (B.A., *magna cum laude*, 1990); University of Florida (J.D. with high honors, 1993). Senior research editor, Florida Law Review. Law clerk to the Honorable Susan H. Black, U.S. Eleventh Circuit Court of Appeals, 1995-1996; Honorable Lacey A. Collier, U.S. District Court, Northern District of Florida, 1993-1995.

John C. Hinderaker: Partner in the law firm of Lewis and Roca LLP in the Civil/Business Litigation Group, practicing in the Tucson office. Admitted to bar in 1997. Education: University of California, Santa Barbara (B.A. 1991 with Honors) and University of Arizona, James E. Rogers College of Law (J.D. 1996 *magna cum laude*) Order of the Coif, Arizona Law Review. Law Clerk to the Honorable Raymond T. Terlizzi, U.S. Magistrate Judge (1996-1997), law clerk to the Honorable John M. Roll, U.S. District Court Judge (1996).

Scott K. Brown: Associate in the Phoenix, Arizona law firm of Lewis and Roca LLP in the Commercial Litigation group, practicing primarily in the area of bankruptcy law. Admitted to bar in 2002. Education: Brigham Young University (BA 1997) and J. Reuben Clark Law School (JD 2000). Author of The Coptic Church in Egypt: A Comment on Protecting Religious Minorities from Non-state Discrimination, Brigham Young University Law Review 1049 (2000); Jehovah's Witnesses v. Land Berlin: Requiring Religious Communities Seeking Public Corporation Status in Germany to Satisfy the "Meaning and Purpose of Corporation Status" Test, Brigham Young University Law Review 673 (1999); and Regulating or Reorganizing?: Depriving Federal Bankruptcy Courts of Their Statutory Authority and Misapplying Fundamental Tenets of Bankruptcy Law in in re Cajun Electric Power Cooperative, Inc., Brigham Young University Journal of Public Law 249 (2000).

Erin O. Simpson: Associate in the Tucson, Arizona law firm of Lewis and Roca LLP in the Business Litigation and Labor and Employment Practice Groups in the Creditor's Rights and Labor and Employment Section. Admitted to bar in 2002. Education: Miami University (B.A. 1983), University of Arizona, James E. Rogers College of Law (J.D. 2001 *magna cum laude*) Order of the Coif, Senior Articles Editor for *the Arizona Law Review*.

Sivan R. Korn: Associate in the Phoenix, Arizona law firm of Lewis and Roca LLP in the Commercial Litigation group, practicing primarily in antitrust litigation, antitrust compliance counseling and intellectual property litigation as well as general commercial litigation. Admitted to bar in 2002. Education: College of Management School of Law (1999 LL.B) and Fordham University School of Law, LL.M., 2001. While in law school in Israel, Ms. Korn was a law clerk for the Hon. Ruth Zochowitzki at the Jerusalem District Court. Following law school she clerked with the Chief Deputy of the Israel Attorney General, focusing on Supreme Court appellate work in matter of national security and complex white collar crime cases. Ms. Korn received an L.L.M., magna cum laude, from Fordham University in New York, in 2001, where she also ranked first in class and was a recipient of the Edward Hawk Award as well as the full tuition merit scholarship.

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1 Marvin C. Ruth: Associate in the Phoenix, Arizona law firm of Lewis and Roca
2 LLP in the Commercial Litigation group. Admitted to bar in 2005. Education: University
3 of Arizona (B.A. 2001) Robert C. Boyd Scholar; James E. Ursano Army Scholar, Arizona
4 Regents Scholar and University of Arizona, James E. Rogers College of Law, J.D., 2005
5 magna cum laude, Perry Rogers Scholar. While in law school, Mr. Ruth was the articles
6 editor for the Arizona Journal of International and Comparative Law and was also a
7 member of the Black Law Students Association and the Jessup International Law Moot
8 Court Team.
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